

**ESTIMATED BUDGET EFFECTS OF THE CONFERENCE AGREEMENT FOR H.R. 2  
THE "JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003"**

**Fiscal Years 2003 - 2013**

*[Millions of Dollars]*

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
<b>Acceleration of Certain Previously Enacted Tax Reductions</b>														
1. Expand the child credit to \$1,000 for 2003 through 2004; revert to present-law phase in for 2005 [1] .....	tyba 12/31/02	-13,712	-5,820	-12,956	---	---	---	---	---	---	---	---	-32,488	-32,488
2. Accelerate the expansion of the 15% individual income tax rate bracket and the increase in the standard deduction for married taxpayers filing joint returns; revert to present-law phase in for 2005 .....	tyba 12/31/02	-4,936	-24,904	-5,234	---	---	---	---	---	---	---	---	-35,074	-35,074
3. Accelerate the expansion of the 10% bracket; revert to present-law phase in for 2005 .....	tyba 12/31/02	-1,549	-8,445	-1,912	---	---	---	---	---	---	---	---	-11,906	-11,906
4. Accelerate the 2006 rate schedule .....	tyba 12/31/02	-9,531	-38,809	-19,930	-5,915	---	---	---	---	---	---	---	-74,185	-74,185
5. Increase individual AMT exemption amount by \$4,500 single and \$9,000 joint for 2003 and 2004 .....	tyba 12/31/02	-1,176	-10,346	-6,260	---	---	---	---	---	---	---	---	-17,782	-17,782
<b>Total of Acceleration of Certain Previously Enacted Tax Reductions .....</b>		<b>-30,904</b>	<b>-88,324</b>	<b>-46,292</b>	<b>-5,915</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-171,435</b>	<b>-171,435</b>
<b>Growth Incentives for Business</b>														
1. Increase bonus depreciation to 50% and extend through 12/31/04 .....	ppisa 5/5/03 [2]	-9,918	-33,298	-11,684	9,414	9,300	8,112	6,648	4,987	3,586	2,212	1,447	-28,074	-9,194
2. Increase section 179 expensing - increase the amount that can be expensed from \$25,000 to \$100,000 and increase the phaseout threshold amount from \$200,000 to \$400,000; include software in section 179 property; and index both the deduction limit and the phaseout threshold after 2003 (sunset after 2005) .....	tyba 12/31/02	-1,647	-2,681	-3,690	-1,027	2,724	1,842	1,290	937	647	410	243	-4,479	-952
<b>Total of Growth Incentives for Business .....</b>		<b>-11,565</b>	<b>-35,979</b>	<b>-15,374</b>	<b>8,387</b>	<b>12,024</b>	<b>9,954</b>	<b>7,938</b>	<b>5,924</b>	<b>4,233</b>	<b>2,622</b>	<b>1,690</b>	<b>-32,553</b>	<b>-10,146</b>
<b>Reductions in Taxes on Dividends and Capital Gains</b>														
1. Tax capital gains with a 15%/5% rate structure for 2003 though 2007, and 15%/0% in 2008 (sunset 12/31/08) .....	so/a 5/6/03	-62	-928	-1,335	-3,042	-4,454	-3,544	509	-9,532	---	---	---	-13,365	-22,386
2. Tax dividends with a 15%/5% rate structure for 2003 though 2007, and 15%/0% in 2008 (sunset 12/31/08) [3] .....	dri tyba 12/31/02	-4,250	-17,506	-19,215	-20,081	-21,263	-23,203	-19,689	-493	---	---	---	-105,518	-125,700
<b>Total of Reductions in Taxes on Dividends and Capital Gains .....</b>		<b>-4,312</b>	<b>-18,434</b>	<b>-20,550</b>	<b>-23,123</b>	<b>-25,717</b>	<b>-26,747</b>	<b>-19,180</b>	<b>-10,025</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-118,883</b>	<b>-148,086</b>

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
Temporary State Fiscal Relief Fund (outlay effects) [4] .....	DOE	-7,730	-12,270	---	---	---	---	---	---	---	---	---	-20,000	-20,000
Special Estimated Tax Rules for Certain Corporate Estimated Tax Payments (25% of estimated payments otherwise due on September 15 are payable on October 1, 2003) .....	DOE	-6,325	6,325	---	---	---	---	---	---	---	---	---	---	---
Total, Net of Outlays .....		-49,489	-135,370	-77,567	-20,575	-13,648	-16,749	-11,190	-4,101	4,233	2,622	1,690	-313,398	-320,142
Total Outlay Effects .....		-11,347	-13,312	-4,649	-76	-45	-44	-52	---	---	---	---	-29,473	-29,525
TOTAL [5] .....		-60,836	-148,682	-82,216	-20,651	-13,693	-16,793	-11,242	-4,101	4,233	2,622	1,690	-342,871	-349,667

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

DOE = date of enactment  
dri = dividends received in

ppisa = property placed in service after  
so/a = sales on or after

tyba = taxable years beginning after

- [1] Advance payment of 2003 child credit paid by rebate with safe harbor.

- [2] Does not apply to any property with binding contract in place before May 6, 2003.

- [3] Any dividend described in Internal Revenue Code section 404(k) would be taxed at ordinary rates. RIC and REIT shareholders receive tax relief to the extent that dividends paid by the RIC or REIT are qualified dividends received by the RIC or REIT. Taxed REIT income would receive the preferential tax rates when distributed as dividends. The provision excludes qualified dividends from investment income for the purpose of Internal Revenue Code Section 163(d). Certain anti-abuse rules, including the imposition of a 60-day holding period, apply. Certain foreign dividends would qualify for the preferential rates.

- [4] Estimate provided by the Congressional Budget Office.

- [5] Returns with AMT liability (millions):

Returns with AMT liability (millions):	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Present law .....	2.2	3.7	9.7	14.9	19.2	23.8	26.8	30.0	14.2	17.3	20.3
Change due to proposal .....	0.2	-0.8	1.6	---	---	---	---	---	---	---	---